

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 421
Committee Substitute Favorable 6/12/19
PROPOSED COMMITTEE SUBSTITUTE H421-CSTQf-27 [v.1]
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Short Title: Promote North Carolina Sawmills.

(Public)

Sponsors:

Referred to:

March 25, 2019

A BILL TO BE ENTITLED
AN ACT TO PROMOTE LOCAL SAWMILLS BY ALLOWING THE USE OF UNGRADED
LUMBER IN CERTAIN CIRCUMSTANCES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 9 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-138.2. Use of ungraded lumber in certain residential construction.

(a) Definitions. – The following definitions apply in this section:

(1) Ungraded lumber. – Lumber that is not identified by a grade mark of an accredited lumber grading or inspection agency and not otherwise accompanied by a certificate of inspection as permitted under the North Carolina Residential Code for One- and Two-Family Dwellings.

(2) Local mill certification. – A written certification that ungraded lumber meets the requirements of the North Carolina Residential Code for One- and Two-Family Dwellings, other than the requirement that only grade marked or otherwise certified lumber be used in residential construction, issued by the person who milled the lumber or that person's authorized representative.

(b) Qualifications. – Prior to milling and offering ungraded lumber for sale in the State for use in the construction of one- and two-family dwellings, a person shall (i) successfully complete a sawmill operation and lumber manufacturing training program approved by the Department of Insurance and (ii) register with the Department of Insurance. The training program may be based inside or outside the State, provided that the training program issues a certificate upon successful completion providing evidence of successful completion of the training program. The certificate shall be valid for purposes of this act for a period of seven years, but a person may complete the same or another approved training program and obtain a new certificate. The registration shall remain effective for as long as the person has a valid certificate.

(c) Registration Fee. – The Department of Insurance shall charge a registration fee of two hundred dollars (\$200.00).

(d) Use of Ungraded Lumber in Certain Residential Construction. – Ungraded lumber may be used in the construction of one- and two-family dwellings when that use meets all of the following requirements:

(1) The ungraded lumber is milled at the request of the person owning the source logs for use in the construction of the dwelling, and the dwelling will be inhabited by that person.



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- 1 (2) The operator of the sawmill that milled the ungraded lumber is registered with
2 the Department of Insurance and has a valid certificate of successful
3 completion of an approved training program pursuant to subsection (b) of this
4 section.
- 5 (3) The source logs were harvested from private property owned by the owner of
6 the dwelling to be constructed, or otherwise acquired by the owner through a
7 private transaction not involving a seller or retailer engaged in the regular sale
8 of building products.
- 9 (4) The ungraded lumber is sold directly by the owner or employee of the sawmill
10 that milled the ungraded lumber to the owner of the dwelling to be constructed
11 or that person's authorized representative.
- 12 (5) The ungraded lumber is milled so that it meets or exceeds the requirements of
13 the North Carolina Residential Code for One- and Two-Family Dwellings
14 other than the requirement that only grade marked or otherwise certified
15 lumber be used in residential construction.
- 16 (6) The sawmill supplying the ungraded lumber provides a local mill certification,
17 of a form and contents that the Building Code Council may specify, to the
18 owner of the dwelling to be constructed or that person's authorized
19 representative.
- 20 (7) The appropriate code enforcement official reviews the local mill certification
21 and the framing of the dwelling in which the ungraded lumber is used to ensure
22 that it meets the requirements of the North Carolina Residential Code for
23 One- and Two-Family Dwellings in all respects other than the requirements
24 that only grade marked or otherwise certified lumber be used in residential
25 construction. The code enforcement official shall not be liable for any
26 structural failure that occurs as a result of the use of ungraded lumber rather
27 than grade marked or otherwise certified lumber.
- 28 (e) Sale of Residences Built With Ungraded Lumber. – The owner of a one- or
29 two-family residence built with ungraded lumber may not sell or lease the residence until the
30 owner has occupied the home for a period of not less than one year from the date of the issuance
31 of the Certificate of Occupancy."

32 **SECTION 2.** The Building Code Council shall amend the North Carolina Residential
33 Code for One- and Two-Family Dwellings consistent with Section 1 of this act. The Department
34 of Insurance shall adopt rules consistent with Section 1 of this act.

35 **SECTION 3.** Section 1 of this act becomes effective on the effective date that rules
36 required to be adopted by Section 2 of this act become effective. The remainder of this act is
37 effective when it becomes law.